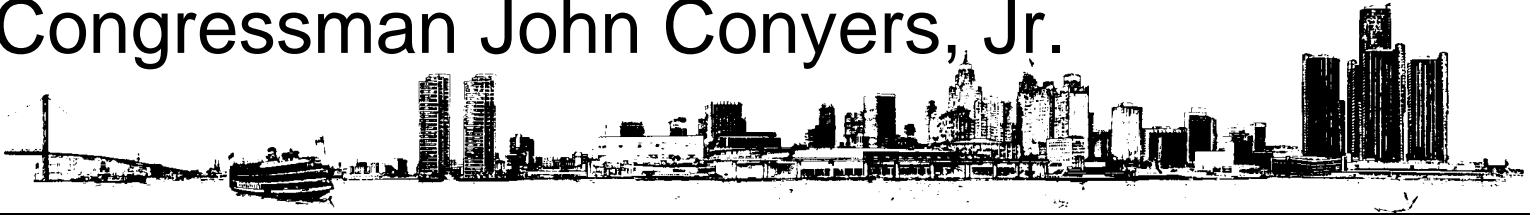


From the office of:

Fourteenth District, Michigan

Congressman John Conyers, Jr.



Ranking Member, House Judiciary Committee

Dean of the Congressional Black Caucus

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“Conyers/Cannon Legislation Aimed at Promoting Choice In the Broadband Industry for American Consumers”

Today, Congressman John Conyers, Jr. (D-MI) and Congressman Chris Cannon (R-UT) introduced two bills to ensure competition in the broadband market. Mr. Conyers issued the following statement:

“My bill, H.R. 1697, the ‘Broadband Competition and Incentives Act of 2001’ will help ensure that the local loop – the essential facility for DSL broadband – remains open to broadband competitors so long as an incumbent Bell Operating Company retains 85% of the market. The local telephone facilities are the same facilities that, after being enhanced, represent the broadband pipeline. Because nearly every American relies on local phone service, the monopoly that exists in local telephone service can easily be leveraged to become a monopoly in broadband service.

“H.R. 1697 would protect against multiple and discriminatory taxation for broadband services, further helping its deployment. It also provides financial incentives for broadband rollouts. Local telephone service is still owned by monopolies who control over 90% of the market. Historically, that monopoly was created by government. But in the past 16 years, both the courts and Congress have said that the monopoly must be opened up to competitors. That was the principle focus of the 1996 Telecommunications Act.

“Today, some want to reverse that policy of competition that has worked so well. In the new broadband market, where we need competition more than ever, the Tauzin-Dingell bill would unplug the requirements of the ‘96 Act. That would mean that the Bell monopolies would be able to transfer their monopoly power that they now have in local telephony into the Broadband market.

“That will mean fewer broadband providers and less competition, higher prices for consumers, and less innovation. Such are the empirical lessons of our experience in the new economy. Witness the reductions in long distance rates where this is vigorous competition. Yet, witness the rising prices and worsening service in local phone markets, without competition.

“I don’t have anything against the Bell companies. SBC/Ameritech serves my constituents well. But we cannot and will not tolerate a roll back of the ‘96 Act, which requires that this government-created monopoly be opened to new competitors in the broadband market. We don’t need to do special favors for monopolies. We need more competition, more innovation, and lower prices in this emerging, exciting broadband market.